



State of Washington
Department of Revenue

Excise Tax Advisory

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NUMBER: 536.04.08.151/18801

CONVERSION DATE: July 1, 1998

This Advisory has been cancelled effective June 30, 2004 and is no longer in effect.

KIDNEY DIALYSIS MACHINES AND HEART PACEMAKERS SALES AND USE TAX EXEMPT

Issued: March 1, 1988

The Department of Revenue has ruled that kidney dialysis machines and heart pacemakers are extended the same tax treatment as "prosthetic devices" which are exempt from the retail sales tax and use tax under 82.08.0283 and 82.12.0277, respectively.

For purposes of these exemptions, "prosthetic devices" are artificial substitutes which physically replace missing parts of the human body. Materials which become ingredients or components of "prosthetic devices" are also exempt from the sales and use tax. Though they do not technically meet the definition of "prosthetic device", kidney dialysis machines and heart pacemakers substantially qualify to be accorded the same tax treatment.

Kidney dialysis machines are not technically "prosthetic devices" because of their physical size and inability to be physically incorporated into the human body as an organ. Nevertheless, a patient cannot survive without the use of the dialysis machine which performs the functions of missing kidneys. For these reasons, kidney dialysis machines are given the same tax exempt treatment as "prosthetic devices".

Pacemakers are usually implanted in the human body and serve as the automatic pulsatile stimulus of the heart. They serve as a replacement for a nerve function of the body formerly provided by destroyed nerve endings and, therefore, can be treated like tax exempt "prosthetic devices".

ETBS have been made Excise Tax Advisories, and have retained their old number. Advisories with a 2 (plus three digits) are new advisories, ETBs that have been revised and readopted after review under the Department's regulatory improvement program, or advisories that have been revised and/or readopted.

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In authorizing this sale and use tax exempt treatment, the Department recognizes that kidney dialysis machines and heart pacemakers are unique medical devices because they do not merely assist or supplement functioning organs of the body. Rather,

1. These apparatus are permanently or continuously used by the patient for life substance.
2. They provide all, or substantially all, of the ongoing bodily function of dysfunctional body organs.
3. They would physically replace the dysfunctional organs if medical technology could accomplish this.

For a detailed discussion of the actual "prosthetic device" exemption, see 498.08.151 and 501.08.151.